

FUNDING SYSTEMS RAILCARS, INC.

10145
RECORDATION NO. 10145 Filed 1425
Date FEB 26 1979
Fee \$ 50.00
FEB 26 1979 - 3 10 PM
INTERSTATE COMMERCE COMMISSION
Washington, D.C. 20423

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Sir:

Enclosed for recordation under the provisions of Section 20c of the Interstate Commerce Act and the regulations promulgated thereunder, as amended, are the original and two counterparts each of a Secured Guaranty Agreement dated as of February 23, 1979.

A general description of the railroad equipment referred to in the enclosed documents is as follows:

Six hundred ninety-three (693) 50'-6", 70-ton, single sheaved, boxcars without side posts, with 10' sliding doors and rigid underframe, with AAR Mechanical Designation XM and reporting marks and numbers as follows (all numbers being inclusive):

NSL 100000	-	NSL 100099
NSL 150104	-	NSL 150175
NSL 150413	-	NSL 150437 ✓
NSL 151076	-	NSL 151302 ✓
NSL 156000	-	NSL 156057 ✓
PT 200000	-	PT 200027
PT 201000	-	PT 201157 ✓
MNJ 120485	-	MNJ 120509

The names and addresses of the parties to the enclosed document is as follows:

DEBTOR/GUARANTOR: Funding Systems Railcars, Inc.
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

SECURED PARTY/
LENDER: Leon C. Baker
299 Park Avenue
New York, New York 10017

The undersigned is an executive officer of the debtor and has knowledge of the matters set forth herein.

RECEIVED
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I.C.C.
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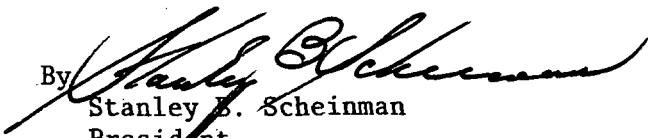
C. F. Kowale
C. Quasney

Please return the original of the enclosed Secured Guaranty Agreement to Charles Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, D.C. 20006 or to the bearer hereof.

Very truly yours,

FUNDING SYSTEMS RAILCARS, INC.

By


Stanley B. Scheinman
President

M/M

JCC

-10145
RECORDATION NO. Filed 1425

FEB 26 1979 -3 10 PM

SECURED GUARANTY AGREEMENT

INTERSTATE COMMERCE COMMISSION

AGREEMENT dated February 23, 1979 by and between FUNDING SYSTEMS RAILCAR, INC., a Delaware corporation with its principal office at 1000 RIDC Plaza, Pittsburgh, Pennsylvania 15238 ("Guarantor") and LEON C. BAKER, an individual with an office at 299 Park Avenue, New York, New York 10017 ("Lender").

Background

Guarantor is a wholly-owned subsidiary of Funding Systems Corporation, a Delaware corporation ("Funding"). Funding Systems Leasing Corporation, a Delaware corporation ("Borrower"), is also a wholly-owned subsidiary of Funding. Pursuant to a Loan Agreement of even date herewith ("Loan Agreement"), Lender has loaned to Borrower on the date hereof \$550,000, which loan is evidenced by the Note (as defined in the Loan Agreement; herein the "Note"). A copy of the Note is attached hereto as Exhibit A. Borrower secured the payment of the Note to Lender by granting to Lender a security interest in certain of its property pursuant to a Security Agreement of even date herewith ("Security Agreement").

To induce Lender to make the aforementioned loan to Borrower, and as further consideration therefor, Guarantor has

agreed to guarantee the payment and performance, when due, by Borrower of its obligations under the Note, the Loan Agreement and the Security Agreement and to secure such guaranty by granting to Lender a security interest in certain of its property, all as more particularly set forth herein.

NOW, THEREFORE, to induce Lender to make the aforementioned loan and as further consideration therefor, the Guarantor covenants and agrees with Lender as follows:

1. The following terms shall have the following meanings:

(a) "RC Equipment" means, collectively, the items of railroad equipment listed and described in Schedules 1 to 9 attached hereto.

(b) "Schedule" means any of Schedules 1 to 9 attached hereto.

(c) "National" means National Railroad Utilization Company.

(d) "UMP" means The Upper Merion & Plymouth Railroad, a wholly-owned subsidiary of Guarantor.

(e) "UMP Lease" means the lease agreement pursuant to which Guarantor leased to UMP the RC Equipment described in Schedule 9 hereto.

(f) "UMP Lease Management Agreement" means the agreement between UMP and National providing for, among

other things, National's management of the use of the RC Equipment described in Schedule 9 hereto on UMP's behalf.

(g) "Pickens Lease" means the lease agreement between Guarantor and Pickens Railroad Company covering the RC Equipment described in Schedule 1 hereto.

(h) "RC Lease Management Agreement" means, as to the RC Equipment listed on each of Schedules 2 to 8 hereof, respectively, the agreement between Guarantor and National providing for, among other things, the management by National of the use of the RC Equipment listed on each such Schedule, respectively, on Guarantor's behalf.

(i) "RC Purchaser" means, as to the RC Equipment listed on each Schedule, respectively, the person, firm or corporation listed on such Schedule as "Investor."

(j) "RC Sale-Leaseback Transaction" means, as to the RC Equipment listed on each Schedule, respectively, the transaction completed prior to the date hereof pursuant to which Guarantor sold to the RC Purchaser listed on such Schedule the RC Equipment described in such Schedule and simultaneously leased back such RC Equipment from such RC Purchaser.

(k) "RC Purchase Agreement" means, as to each RC Sale-Leaseback Transaction, the agreement pursuant to which Guarantor sold to the RC Purchaser the RC Equipment covered by such RC Sale-Leaseback Transaction.

(l) "RC Note" means, as to each RC Sale-Leaseback Transaction, the non-recourse or limited recourse promissory note or notes of the RC Purchaser delivered to the Guarantor as full or partial payment for the RC Equipment covered by such RC Sale-Leaseback Transaction.

(m) "RC Security Agreement" means, as to each RC Sale-Leaseback Transaction, the security agreement delivered by the RC Purchaser to Guarantor granting to Guarantor, among other things, a security interest in the RC Equipment covered by such RC Sale-Leaseback Transaction to secure the payment of the RC Note.

(n) "RC Lease" means, as to each RC Sale-Leaseback Transaction, the lease agreement pursuant to which the RC Purchaser leased back to Guarantor the RC Equipment purchased by the RC Purchaser in connection with such RC Sale-Leaseback Transaction.

(o) "RC Documents" means, collectively, all of the RC Lease Management Agreements, RC Purchase Agreements, RC Notes, RC Security Agreements, RC Leases, the UMP Lease, the UMP Lease Management Agreement, and the Pickens Lease.

(p) "RC Collateral" means, collectively,

all of Guarantor's right, title and interest in and to, and benefits under, but in each case excluding specifically any of Guarantor's obligations or liabilities under or with respect to (i) the RC Documents, (ii) all amounts due or to become due to Guarantor under the RC Documents, and (iii) all of the proceeds of or derived from any and all of the RC Documents.

(q) "RC Liens" means any and all liens and security interests granted by Guarantor in any of the RC Documents to financial institutions to secure the repayment of loans made by such institutions to Guarantor, the proceeds of which were used by Guarantor to pay all or a portion of the purchase price of any item of RC Equipment.

(r) "Obligations" means the payment and performance when due (whether at maturity, by acceleration or otherwise) by Borrower of its obligations under the Note, the Loan Agreement, the Security Agreement and all documents and instruments executed and delivered to Lender in connection therewith, including, without limitation, the payment when due of the principal of and interest on the Note.

(s) "Instruments" means, collectively, the Note, the Loan Agreement and the Security Agreement.

2. The Guarantor hereby absolutely, unconditionally and irrevocably guarantees, as principal obligor and not merely as surety, to Lender, its successors and assigns,

the prompt and unconditional payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations.

3. The Guarantor expressly agrees that this is a continuing guaranty and that the obligations of the Guarantor hereunder are and shall be absolute and unconditional under any and all circumstances including, without limitation, circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor, without regard to the validity, legality, regularity or enforceability of the Instruments, it being further expressly agreed that the obligations of the Guarantor hereunder shall not be discharged except by payment and/or performance as herein provided.

4. The Guarantor hereby waives notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, or any and all notice of non-payment, non-performance or non-observance, or other proof, or notice or demand, whereby to charge it therefor.

5. The Guarantor agrees that the validity of this Secured Guaranty and the obligations of it hereunder shall in no way be terminated, affected or impaired by reason of the assertion by Lender of any rights or remedies which it may have under or with respect to the Instruments, or by reason of

Lender's failure to exercise, or delay in exercising, any such right or remedy or any right or remedy Lender may have hereunder or in respect to this Secured Guaranty, or by reason of the adjudication in bankruptcy of any person obligated under the Instruments or the filing of a petition for any relief under the Bankruptcy Act by any such person.

6. The Guarantor covenants and agrees that this Secured Guaranty shall remain and continue in full force and effect as to any modification, extension or renewal of the Instruments or the release or exchange of any property or other collateral for the obligation evidenced thereby, and that other indulgences or forbearance may be granted under or with respect to the Instruments, all of which may be made, done or suffered without notice to, or further consent of, the Guarantor.

7. Upon any default of Borrower under the Instruments, Lender may, at its option, proceed directly and at once, without notice, against Guarantor to collect and recover the full amount of the liability hereunder or any portion thereof, without proceeding against Borrower or any other person, or foreclosing upon, selling, or otherwise disposing of or collecting or applying against any property or other collateral securing the payment and performance of the obligations under the Instruments. The Guarantor hereby waives the pleading of any statute of limitations as a defense to its obligations hereunder.

8. This Secured Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, on account of the obligations of Borrower under the Instruments is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy or reorganization of Borrower, or otherwise, all as though such payment had not been made.

9. (a) To secure the payment and performance, when due, of the obligations of Guarantor hereunder, Guarantor hereby grants, conveys, assigns and transfers to Lender a security interest in the RC Collateral.

(b) Notwithstanding the foregoing, Lender shall have no right to exercise any rights, powers or privileges granted to it hereunder regarding the RC Collateral, including, without limitation, the right to collect or retain any amounts due to Guarantor under any of the agreements comprising the RC Collateral, unless and until Guarantor defaults in the payment or performance of any of its obligations hereunder.

10. Lender hereby acknowledges and agrees that the security interest granted by Guarantor in the Collateral pursuant to Section 9 hereof is subject and subordinate to all existing RC Liens.

11. In the event that Guarantor defaults in the payment and/or performance of any of its obligations hereunder, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code as then in effect in the State of New York with respect to the RC Collateral. Lender shall give Guarantor reasonable notice of the time and place of any public or private sale or other intended disposition of all or any portion of the RC Collateral. Guarantor agrees that the requirement of reasonable notice shall be met if notice is mailed to it at its address set forth herein not less than ten (10) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like, shall include, without limitation, Lender's reasonable attorney's fees and other legal expenses. Lender's rights and remedies, whether pursuant hereto, to the Uniform Commercial Code or any other statute or rule of law conferring rights similar to those conferred by the Uniform Commercial Code, shall be cumulative and not alternative.

12. The Guarantor agrees that no failure or delay on the part of Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or future exercise thereof or any exercise of any other right, power or remedy hereunder. No amendment, modification, termination, or waiver of any provision of this

Secured Guaranty, nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Guarantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances.

13. This Secured Guaranty shall be binding upon the Guarantor and its legal representatives, successors and assigns and shall inure to the benefit of and be enforceable by Lender, its successors, transferees and assigns.

14. (a) It is agreed that this Secured Guaranty, including, without limitation the security interests granted herein to Lender, shall only terminate when all of the principal of and interest on the Note has been paid in full and all expenses which may be paid or incurred by Lender in collecting or enforcing any or all of the obligations of Borrower under the Instruments and any rights which Lender may have thereunder or hereunder, shall have been paid or performed in full or shall have otherwise terminated.

(b) In the event that this Secured Guaranty terminated as provided in (a) above Lender shall execute and deliver appropriate Uniform Commercial Code Termination State-

ments necessary to evidence the termination of the security interest granted hereunder in the RC Collateral and shall re-deliver to Guarantor any of the RC Collateral previously delivered to Lender to perfect a security interest therein.

15. Notices or other communications to any party hereunder shall be in writing and shall be deemed to have been duly and properly given on the date such notices or other communications are (i) personally delivered with receipt acknowledged or (ii) mailed by registered or certified mail, return receipt requested, postage prepaid and addressed to the party at the address set forth at the beginning of this Agreement or at such other address as such party shall designate in writing by notice hereunder.

16. This Secured Guaranty shall be governed by and interpreted under the laws of the State of New York applicable to contracts made and performed therein without regard to the principles of conflict or laws thereof.

17. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

19. Guarantor irrevocably authorizes Lender or its designee from time to time to file financing statements in such

form as may be necessary to perfect the security interest granted hereby in the RC Collateral in any or all pertinent jurisdictions, and in that regard to execute such financing statements for itself (as secured party) and for Guarantor (as debtor), as its agent.

IN WITNESS WHEREOF, the parties hereto have executed this Secured Guaranty on the date first above written.

Witness!

John D. McHenry
Ass't. Sec.

Douglas R. ...

FUNDING SYSTEMS RAILCAR, INC.

By:

[Signature]

[Signature]

LEON C. BAKER

My commission expires on:

DESCRIPTION OF EQUIPMENT

Schedule 1

Manufacturer: U. S. Railway Mfg. Co.

Plant of Manufacture: Atlanta, Georgia

Description of Equipment (with road identifying numbers): 100 new 50 ft. type XM box cars bearing identifying numbers NSL 100,000 through NSL 100,099, both inclusive

Specifications: Specifications No. 1282 of Southern Iron and Equipment Co. Division of U.S. Railway Mfg. Co. dated November 8, 1976

Place of Delivery: Manufacturer's Plant, Atlanta, Georgia

Outside Delivery Date: December 31, 1976

COST: \$3,165,000.00

Lessee: Pickens Railroad Company

IN SERVICE DATE: 50 cars - 1/15/77; 50 cars - 2/15/77

LENDER: Aetna Business Credit

AMOUNT OF LOAN: \$2,135,500.00

TERM: 120 months

INTEREST RATE: 14%

INVESTOR: Genesis Ventures, Inc.

Schedule 2

DESCRIPTION OF EQUIPMENT

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Deliver
AAR	50'6", 70-ton, single sheaved boxcars without side posts, 10'0" sliding doors, rigid underframe	100	NSL 151076 - NSL 151175	36,500	3,650,000	Picken South Carolin
Total		100			3,650,000	

IN SERVICE DATE: 6/78

LENDER: Paul Revere

AMOUNT OF LOAN: \$ 5,400,000.00

TERM: 62 quarters

INTEREST RATE: 10.5%

INVESTOR: Refco Equipment, Inc.

DESCRIPTION OF EQUIPMENT

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AA Mechanical Designation XM	50'6", 70-ton, single sheaved boxcars without side posts, 10'0" sliding doors, rigid underframe	100	NSL 150104 - NSL 150175; PT 200000 - PT 200027	35,500	3,550,000	Renovo, Pennsylvania
Total		100	Total		3,550,000	

(to the Lease and Management Agreement)

DESCRIPTION OF EQUIPMENT

Type	Builders Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AA Mechanical designation XM	50'6", 70-ton single sheaved boxcars without side posts, 10'0" sliding doors, rigid underframe	100	NSL 151176- NSL 151249; PT 201000- PT 201025.	\$37,400.00	\$3,740,000.00	Pickens, South Carolina

IN SERVICE DATE: 9/78

LENDER: U.S. Steel Credit Corp.

AMOUNT OF LOAN: \$ 2,805,000.00

TERM: 62 quarters

INTEREST RATE: Prime + 2-1/2%

INVESTOR: Midwest Investments, Inc.

Schedule 3

Description of Equipment

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AAR Mechanical Designation XM	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	15	NSL 156000 NSL 156014	\$37,600	\$564,000	Greenville, South Carolina
TOTAL 15					\$564,000	

IN SERVICE DATE: 9/19/78

LENDER: Paul Revere

AMOUNT OF LOAN: \$ 1,414,350.00

TERM: 62 quarters

INTEREST RATE: 11.25%

INVESTOR: Astro Corporation

Description of Equipment

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AAR Mechanical Designation XM	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	10	PT 201026- PT 201035	\$37,600	\$376,000	Pickens, South Carolina
TOTAL		10			\$376,000	

Builder - Berwick Forge & Fabricating
 Company, Division of
 Whittaker Corporation

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAR Mechanical Designation XM	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	25	MNJ 120485 MNJ 120509	\$37,832.00	\$945,800.00	Renovo, PA

Total 25 Total \$945,800.00

Builder - Rail Fleet Corporation

Schedule J

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAR Mechanical Designation XM	50'6", 70 ton single sheaved boxcars with- out side posts 10'10" sliding doors rigid underframe	7	NSL 156015 NSL 156021	\$37,600.00	\$263,200.00	Greenville South Carolina
TOTAL		7	TOTAL		\$263,200.00	

IN SERVICE DATE: 9/29/78

LENDER: Paul Revere

AMOUNT OF LOAN: \$ 1,411,218.00

TERM: 62 quarters

INTEREST RATE: 11.25%

INVESTOR: Sherwin I. Poggrund

Builder - National Railway Utilization Corporation

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAR Mechanical Designation XM	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	36	PT 201036-PT 201071	\$37,600.00	\$1,353,600.00	Pickens, South Carolina

TOTAL.....	.36	TOTAL.....	\$1,353,600.00
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Builder - Berwick Forge & Fabricating
 Division of Whittaker
 Corporation

SCHEDULE II(A)

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAR Mechanical Designation NY	50'6", 70-ton single sheaved boxcars with- out side posts 10'0" sliding doors rigid underframe	7	MNJ 120510 MNJ 120516	\$37,832.00	\$264,824.00	Renovo, PA
TOTAL 7					\$264,824.00	

Builder - Rail Fleet Corporation

Schedule b

Description of Equipment

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AMR Mechanical Designation X1	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	6	NSL 156022 NSL 156027	\$38,500.00	\$231,000.00	Greenville, South Carolina
TOTAL		6			\$231,000.00	

IN SERVICE DATE: 10/16/78
 LENDER: Paul Revere
 AMOUNT OF LOAN: \$ 721,875.00
 TERM: 62 quarters
 INTEREST RATE: 11.25%
 INVESTOR: Harold Foreman

Builder - National Railway Pollution
Corporation

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AMR Mechanical Designation X4	50'6", 70-ton single sheaved boxcars with- out side posts 10'0" sliding doors rigid underframe	19	PT 201072 PT 201090	\$38,500.00	\$731,500.00	Pickens, South Carolina
TOTAL				19	TOTAL \$731,500.00	

Builder - Rail Fleet Corporation

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAIR	50'6", 70-ton single	6	NSL 156028	\$38,500.00	\$231,000.00	Greenville, South Carolina
Mechanical designation	sheaved boxcars without side posts 10'0" sliding doors rigid underframe		NSL 156033			
XX						
TOTAL		6			\$231,000.00	

IN SERVICE DATE: 10/31/78

LENDER: Paul Revere

AMOUNT OF LOAN: \$ 721,875.00

TERM: 62 quarters

INTEREST RATE: 11.25%

INVESTOR: Harold Foreman

Schedule 1

Builder - Rail Fleet Corporation

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAR Mechanical Designation XM	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	12	NSL 156034 NSL 156045	\$38,500.00	\$462,000.00	Greenville, South Carolina
TOTAL		12	TOTAL		\$462,000.00.	

Builder - National Railway Utilization Corporation

Schedule 8

Description of Equipment

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AAR	50'6", 70-ton single	38	PT 201110	\$38,500.00	\$1,463,000.00	Pickens, South
Mechanical	sheaved boxcars with-		PT 201147			Carolina
Designation	out side posts 10'0"					
XVI	sliding doors rigid underframe					
TOTAL			38		\$1,463,000.00	

IN SERVICE DATE: 25 cars - 11/8/78; 25 cars - 11/22/78

LENDER: Paul Revere

AMOUNT OF LOAN: \$ 1,443,750.00

TERM: 62 quarters

INTEREST RATE: 11.25%

INVESTOR: Harold Foreman

Builder - National Railway Utilization Corporation

Description of Equipment

<u>Type</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Equipment Numbers (Inclusive)</u>	<u>Average Unit Price</u>	<u>Total Price</u>	<u>Delivery</u>
AAR Mechanical Designation XX	50'6", 70-ton single sheaved boxcars without side posts 10'0" sliding doors rigid underframe	19	PT 201091 PT 201109	\$38,500.00	\$731,500.00	Pickens, South Carolina
TOTAL		19	TOTAL		\$731,500.00	

DESCRIPTION OF EQUIPMENT

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
AAAR	50'6" 70-ton single sheaved boxcars without side posts, 10'0" sliding doors, rigid underframe	25	NSL 150413- NSL 150437	\$38,837	\$970,925	Renovo, Pennsylvania
Total		25			\$970,925	

IN SERVICE DATE: 12/78

LENDER: International Paper Credit Corporation

AMOUNT OF LOAN: \$ 3,380,545.00

TERM: 32 quarters with balloon (loan amortized over 15 years)

INTEREST RATE: Prime + 4%

INVESTOR: Film Properties, Inc.

DESCRIPTION OF EQUIPMENT

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
MAIR	50'6" 70-ton	63	PT 201148-	\$38,500	\$2,425,500	Pickens, South Carolina
mechanical	single sheaved		PT 201157;			
signation	boxcars without		NSL 151250-			
CI	sideposts, 10'0"		NSL 151302			
	sliding doors,					
	rigid underframe					
Total		63	Total		\$2,425,500	

DESCRIPTION OF EQUIPMENT

Type	Builder's Specifications	Quantity	Equipment Numbers (Inclusive)	Average Unit Price	Total Price	Delivery
VAR Mechanical Designation XM	50'6" 70-ton single sheaved boxcars without side posts, 10'0" sliding doors, rigid underframe	12	NSL 156046- NSL 156057	\$38,500	\$462,000	Pickens, South Carolina
Total		12	Total		\$462,000	

Schedule
B

FUNDING SYSTEMS RAILCARS, INC.

2/21/79

TAX INVESTOR ADDRESSES

RECO-EQUIPMENT, INC.
39 South LaSalle St.
Chicago, IL 60603

Midwest Investments, Inc.
222 South Riverside Plaza
Chicago, IL 60603

Astro Corporation
P.O. Box 560525
Miami, FL 33156

Sherman L. Pogron
221 North LaSalle Street
Chicago, IL 60604

Harold Foreman
899 Skokie Boulevard
Northbrook, IL 60062

Film Properties, Inc.
39 South LaSalle Street
Chicago, IL 60603

Genesis Ventures, Inc.
222 South Riverside Plaza
Chicago, IL 60603